



U.S. Department
of Transportation
**Maritime
Administration**

MANUAL OF ORDERS

MARITIME ADMINISTRATIVE ORDER

REVOKES MAO 86-1 dtd
12/24/91 and Amdt
1 dtd 2/23/93

NO. 59-1

EFFECTIVE DATE
July 22, 1999

SUBJECT

OFFICE OF CARGO PREFERENCE

Section 1. Organization: The Office of Cargo Preference is supervised by a Director who reports to the Associate Administrator for Ship Financial Assistance and Cargo Preference. The office has the following organizational components.

- Immediate Office of the Director
- Division of Civilian Agencies
- Division of Military Cargoes
- Division of Agricultural Cargoes

Section 2. Delegations of Authority:

2.01 Subject to such conditions and limitations as the Maritime Administrator may impose in other directives, the Director, Office of Cargo Preference, is authorized to exercise all authorities of the Associate Administrator for Ship Financial Assistance and Cargo Preference required to perform the functions assigned in Department of Transportation (DOT) Order 1100.69A and this order.

2.02 Except as otherwise provided, the Division Chiefs are authorized to exercise all authorities of the Office Director necessary to perform the functions assigned to their respective divisions in this order. These authorities may be redelegated in accordance with Maritime Administrative Order (MAO) 200-1.

Section 3. The Immediate Office of the Director, in addition to the usual responsibilities of planning and directing the functions listed in this order, shall:

3.01 Provide advice and assistance in the area of cargo preference.

3.02 Serve as Maritime Administration's (MARAD's) focal point for the direct informal grievance procedures relating to preference cargo in accordance with 46 CFR Part 381.

Section 4. With Respect to Assigned Functional Areas, the Division of Civilian Agencies, Division of Military Cargoes, and Division of Agricultural Cargoes shall:

4.01 Regulate, review, and report on the administration and operation of cargo preference activities under Public Law 664, 83rd Congress, Public Resolution 17, 73rd Congress, and other statutes, in accordance with section 901(b) of the Merchant Marine Act, 1936, as amended.

4.02 Maintain liaison with and advise Government agencies and commercial shippers in order to encourage increased U.S.-flag participation in the transportation of Government financed cargoes, including shipments not covered under the cargo preference statutes. Advise Government shipper agencies and commercial shippers as to the availability of U.S.-flag shipping, the proper clauses in contracts and regulations in matters affected by the cargo preference statutes, and develop and analyze records of U.S.-flag participation.

4.03 Work with commercial shippers to resolve problems concerning cargo preference and help them find suitable, competitive U.S.-flag vessels to meet their shipping requirements.

MAO 59-1

4.04 Work with U.S.-flag ocean carriers and provide them with market opportunity information. Provide forums through which ocean carriers can meet with commercial shippers and Government agencies to discuss problems, concerns, and opportunities and to find solutions to present and future transportation requirements.

4.05 Develop, formulate, and analyze records of U.S.-flag participation in Government financed programs.

4.06 Process Export-Import Bank waivers pursuant to Statement of Policy on Public Resolution 17, 73rd Congress; exercise surveillance over compliance and maintain records of U.S.- and foreign-flag participation.

4.07 Conduct reviews and analyses of discriminatory laws, regulations, and practices of foreign governments, for use in connection with waiver policy and Public Resolution 17; collaborate with and furnish traffic advice to other offices, the Department of State, and the Federal Maritime Commission in efforts to combat and eliminate discrimination against U.S. ships.

4.08 Receive requests for guideline rates from and recommend to Government shipper agencies, terms and conditions for U.S. government and privately-owned U.S.-flag ships carrying Government sponsored cargoes pursuant to authority of section 901(b) of the Merchant Marine Act, 1936, as amended. Request the Office of Costs and Rates to calculate such rates, as needed.

4.09 Examine and approve ocean-freight differential invoices from the Commodity Credit Corporation and arrange for payments in accordance with the terms and conditions of MARAD's Memorandum of Understanding with the Department of Agriculture.



James V. Zok
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for Ship Financial Assistance
and Cargo Preference

Concurrence:



John L. Mann, Jr.
Associate Administrator
for Administration